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11 **UNITED STATES DISTRICT COURT**

12 **DISTRICT OF NEVADA**

14 DANIEL E. SIEGGREEN, Individually and On  
15 Behalf of All Others Similarly Situated,

16 Plaintiff,

17 v.

18 LIVE VENTURES INCORPORATED, JON  
19 ISAAC, and VIRLAND A. JOHNSON,

20 Defendants.

Case No.

**CLASS ACTION COMPLAINT FOR  
VIOLATIONS OF THE FEDERAL  
SECURITIES LAWS**

1 Plaintiff Daniel E. Sieggreen (“Plaintiff”), individually and on behalf of all others similarly  
2 situated, by and through his attorneys, alleges the following upon information and belief, except as  
3 to those allegations concerning Plaintiff, which are alleged upon personal knowledge. Plaintiff’s  
4 information and belief is based upon, among other things, his counsel’s investigation, which  
5 includes without limitation: (a) review and analysis of regulatory filings made by Live Ventures  
6 Incorporated (“Live” or the “Company”) with the United States (“U.S.”) Securities and Exchange  
7 Commission (“SEC”); (b) review and analysis of press releases and media reports issued by and  
8 disseminated by Live; and (c) review of other publicly available information concerning Live.

9 **NATURE OF THE ACTION AND OVERVIEW**

10 1. This is a class action on behalf of persons and entities that purchased or otherwise  
11 acquired Live securities between December 28, 2016 and August 3, 2021, inclusive (the “Class  
12 Period”). Plaintiff pursues claims against the Defendants under the Securities Exchange Act of 1934  
13 (the “Exchange Act”).

14 2. Live is a holding company. Until 2015, Live focused on providing online marketing  
15 solutions for small and medium business. But in fiscal 2015, the Company shifted to acquiring  
16 purportedly profitable business in various industries that have demonstrated a strong history of  
17 earnings power.

18 3. On August 3, 2021, the SEC filed a complaint against Live Ventures, its Chief  
19 Executive Officer, and its Chief Financial Officer alleging "multiple financial, disclosure, and  
20 reporting violations related to inflated income and earnings per share, stock promotion and secret  
21 trading, and undisclosed executive compensation." Specifically, the SEC alleged that Live Ventures  
22 had recorded income from a backdated contract, which increased pre-tax income for fiscal 2016 by  
23 20%, and understated its outstanding share count, which overstated earnings per share by 40%.

24 4. On this news, the Company’s share price fell \$29.08, or 46%, to close at \$33.50 per  
25 share on August 4, 2021, on unusually heavy trading volume. The stock price continued to decline  
26 \$7.74, or 23%, over the next four consecutive trading sessions to close at \$25.76 per share on August  
27 10, 2021.

5. Throughout the Class Period, Defendants made materially false and/or misleading statements, as well as failed to disclose material adverse facts about the Company's business, operations, and prospects. Specifically, Defendants failed to disclose to investors: (1) that Live's earnings per share for FY 2016 was actually only \$6.33 per share; (2) that the Company used an artificially low share count to boost the earnings per share by 40%; (3) that Live had overstated pre-tax income for fiscal 2016 by 20% by including \$915,500 of "other income" related to certain amendments that were not negotiated until after the close of the fiscal year; (4) that Live's acquisition of ApplianceSmart did not close during first quarter 2017; (5) that using December 30, 2017 as the "acquisition date" and recognizing income therefrom did not conform to generally accepted accounting principles; (6) that, by falsely stating that the acquisition closed during the quarter, Live recognized bargain purchase gain, which enabled the Company to report positive net income in what would otherwise have been an unprofitable quarter; (7) that between fiscal 2016 and fiscal 2018, Live's CEO received approximately 94% more in compensation than was disclosed to investors; and (8) that, as a result of the foregoing, Defendants' positive statements about the Company's business, operations, and prospects were materially misleading and/or lacked a reasonable basis.

6. As a result of Defendants' wrongful acts and omissions, and the precipitous decline in the market value of the Company's securities, Plaintiff and other Class members have suffered significant losses and damages.

## JURISDICTION AND VENUE

7. The claims asserted herein arise under Sections 10(b) and 20(a) of the Exchange Act (15 U.S.C. §§ 78j(b) and 78t(a)) and Rule 10b-5 promulgated thereunder by the SEC (17 C.F.R. § 240.10b-5).

8. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. § 1331 and Section 27 of the Exchange Act (15 U.S.C. § 78aa).

9. Venue is proper in this Judicial District pursuant to 28 U.S.C. § 1391(b) and Section 27 of the Exchange Act (15 U.S.C. § 78aa(c)). Substantial acts in furtherance of the alleged fraud or the effects of the fraud have occurred in this Judicial District. Many of the acts charged herein,

1 including the dissemination of materially false and/or misleading information, occurred in  
2 substantial part in this Judicial District. In addition, the Company's principal executive offices are  
3 in this District.

4 10. In connection with the acts, transactions, and conduct alleged herein, Defendants  
5 directly and indirectly used the means and instrumentalities of interstate commerce, including the  
6 United States mail, interstate telephone communications, and the facilities of a national securities  
7 exchange.

8 **PARTIES**

9 11. Plaintiff Daniel E. Sieggreen, as set forth in the accompanying certification,  
10 incorporated by reference herein, purchased Live securities during the Class Period, and suffered  
11 damages as a result of the federal securities law violations and false and/or misleading statements  
12 and/or material omissions alleged herein.

13 12. Defendant Live is incorporated under the laws of Nevada with its principal executive  
14 offices located in Las Vegas, Nevada. Live's common stock trades on the NASDAQ Exchange  
15 under the symbol "LIVE."

16 13. Defendant Jon Isaac ("Isaac") was the Company's Chief Executive Officer ("CEO")  
17 at all relevant times. He was also the Company's Chief Financial Officer ("CFO") from February  
18 2013 to January 2017.

19 14. Defendant Virland A. Johnson ("Johnson") has been the Company's CFO since  
20 January 2017.

21 15. Defendants Isaac and Johnson (collectively the "Individual Defendants"), because of  
22 their positions with the Company, possessed the power and authority to control the contents of the  
23 Company's reports to the SEC, press releases and presentations to securities analysts, money and  
24 portfolio managers and institutional investors, i.e., the market. The Individual Defendants were  
25 provided with copies of the Company's reports and press releases alleged herein to be misleading  
26 prior to, or shortly after, their issuance and had the ability and opportunity to prevent their issuance  
27 or cause them to be corrected. Because of their positions and access to material non-public  
28 information available to them, the Individual Defendants knew that the adverse facts specified

1 herein had not been disclosed to, and were being concealed from, the public, and that the positive  
 2 representations which were being made were then materially false and/or misleading. The  
 3 Individual Defendants are liable for the false statements pleaded herein.

#### 4 **SUBSTANTIVE ALLEGATIONS**

##### 5 **Background**

6 16. Live is a holding company. Until 2015, Live focused on providing online marketing  
 7 solutions for small and medium business. But in fiscal 2015, the Company shifted to acquiring  
 8 purportedly profitable business in various industries that have demonstrated a strong history of  
 9 earnings power.

##### 10 **Materially False and Misleading**

##### 11 **Statements Issued During the Class Period**

12 17. The Class Period begins on December 28, 2016. On that day, Live issued a press  
 13 release entitled “Live Ventures Announces Biggest Year in Company History Achieving Record  
 14 Earnings of \$8.92 Per Share With Continued Growth Anticipated in 2017.” It stated, in relevant  
 15 part:

16 Reporting its most successful year in the Company’s history, Live Ventures reported  
 17 a record \$79M in revenues, an increase of 136 percent over the previous year, and  
 18 net profit of approximately \$17.82M, *representing earnings per share (EPS) of*  
 19 *\$8.92.*

20 Stockholders’ equity, which is management’s preferred measurement for  
 21 performance, increased by 192 percent over 2015. Since present management took  
 22 over five years ago, stockholders equity has grown at a rate of 100.58 percent  
 23 compounded annually.

24 18. The above statements identified in ¶ 17 were materially false and/or misleading, and  
 25 failed to disclose material adverse facts about the Company’s business, operations, and prospects.  
 26 Specifically, Defendants failed to disclose to investors: (1) that Live’s earnings per share for FY  
 27 2016 was actually only \$6.33 per share; and (2) that the Company used an artificially low share  
 28 count to boost the earnings per share by 40%.

19. On December 29, 2016, Live filed its annual report on Form 10-K for the year ended  
 September 30, 2016 (the “2016 10-K”), in which the Company reported \$6.33 earnings per share.

1 Live did not issue any public explanation for the discrepancy between the press release and the Form  
2 10-K. And regarding “other income,” Live reported:

3 Other income increased for the year ended September 30, 2016 as compared to the  
4 year ended September 30, 2015 by \$2,387,097. Vendor and note settlements  
5 represent \$1,733,674 of the increase from fiscal 2016 vs. 2015. Gain on asset sales  
6 were \$179,983 of the increase. The balance of the increase in other income \$473,440  
7 represented refunds received and a small amount of rental income.

8 20. Under Item 11, “Executive Compensation,” of the 2016 10-K, Live stated that  
9 Defendant Isaac was paid \$200,000 as salary and \$13,465 for an option award.

10 21. The above statements identified in ¶¶ 19-20 were materially false and/or misleading,  
11 and failed to disclose material adverse facts about the Company’s business, operations, and  
12 prospects. Specifically, Defendants failed to disclose to investors: (1) that the Company had used  
13 an artificially low share count to boost the earnings per share by 40% in the prior release; (2) that  
14 Live had overstated pre-tax income by 20% by including \$915,500 of “other income” related to  
15 certain amendments that were not negotiated until after the close of the fiscal year; and (3) that the  
16 Company’s CEO was paid \$120,000 that was not disclosed in the Form 10-K.

17 22. On February 14, 2018, Live filed its quarterly report on Form 10-Q for the period  
18 ended December 31, 2017. Defendants Isaac and Johnson signed certifications pursuant to the  
19 Sarbanes-Oxley Act of 2002 attesting to the accuracy of the financial statements, the effectiveness  
20 of the Company’s internal controls, and the disclosure of all material facts. The report recognized  
21 and recorded as “other income” a “bargain purchase gain on acquisition” of ApplianceSmart of  
22 \$3,773,486, which Live claimed had “closed” during the quarter.

23 23. The above statements identified in ¶ 22 were materially false and/or misleading, and  
24 failed to disclose material adverse facts about the Company’s business, operations, and prospects.  
25 Specifically, Defendants failed to disclose to investors: (1) that Live’s acquisition of  
26 ApplianceSmart did not close during the quarter; (2) that using December 30, 2017 as the  
27 “acquisition date” and recognizing income therefrom did not conform to generally accepted  
28 accounting principles; (3) that, by falsely stating that the acquisition closed during the quarter, Live  
29 recognized bargain purchase gain, which enabled the Company to report positive net income in what  
30 would otherwise have been an unprofitable quarter.

1           24.     On January 18, 2018, Live filed its annual report on Form 10-K for fiscal 2017.  
2 Under Item 11, "Executive Compensation," Live stated that Defendant Isaac was paid \$200,000 as  
3 salary and \$54,000 as "All Other Compensation." The Company further stated that "'All Other  
4 Compensation' for Mr. Isaac includes \$54,000 for each of 2017 and 2016, which was accrued by us  
5 for the reasonable housing allowance to which Mr. Isaac is entitled under his employment  
6 agreement."

7           25.     The above statements identified in ¶ 24 were materially false and/or misleading, and  
8 failed to disclose material adverse facts about the Company's business, operations, and prospects.  
9 Specifically, Defendants failed to disclose to investors: (1) that the Company's CEO was paid  
10 \$30,000 that was not disclosed in the Form 10-K.

11           26.     On December 27, 2018, Live filed its annual report on Form 10-K for fiscal 2018.  
12 Under Item 11, "Executive Compensation," Live stated that Defendant Isaac was paid \$200,000 as  
13 salary and \$54,000 as "All Other Compensation." The Company further stated that "'All Other  
14 Compensation' for Mr. Isaac includes \$54,000 for each of 2018 and 2017, which was accrued by us  
15 for the reasonable housing allowance to which Mr. Isaac is entitled under his employment  
16 agreement."

17           27.     The above statements identified in ¶ 26 were materially false and/or misleading, and  
18 failed to disclose material adverse facts about the Company's business, operations, and prospects.  
19 Specifically, Defendants failed to disclose to investors: (1) that the Company's CEO was paid  
20 \$165,000 that was not disclosed in the Form 10-K.

21                           **Disclosures at the End of the Class Period**

22           28.     On August 3, 2021, the SEC filed a complaint against Live Ventures, its Chief  
23 Executive Officer, and its Chief Financial Officer alleging "multiple financial, disclosure, and  
24 reporting violations related to inflated income and earnings per share, stock promotion and secret  
25 trading, and undisclosed executive compensation." Specifically, the SEC alleged that Live Ventures  
26 had recorded income from a backdated contract, which increased pre-tax income for fiscal 2016 by  
27 20%, and understated its outstanding share count, which overstated earnings per share by 40%. In a  
28 release summarizing the complaint, the SEC stated:



1 The Securities and Exchange Commission charged a publicly-traded Las Vegas-  
 2 based holding company, its CEO, its CFO, an LLC controlled by the CEO, and  
 3 another Nevada-based public company with multiple financial, disclosure, and  
 reporting violations related to inflated income and earnings per share, stock  
 promotion and secret trading, and undisclosed executive compensation.

4 The SEC's complaint alleges that Las Vegas-based Live Ventures Incorporated and  
 5 its CEO, Jon Isaac, recorded income from a backdated contract to boost Live  
 6 Ventures' pre-tax income for fiscal year 2016 by 20%. Live Ventures and Isaac also  
 7 allegedly overstated earnings per share by 40% by improperly understating Live  
 8 Ventures' outstanding share count. The complaint alleges that in addition to  
 disclosing falsified financial results, Isaac hired a stock promoter to boost interest in  
 Live Ventures. As alleged, the financial manipulation and stock promotion caused  
 Live Ventures' share price to spike. Isaac allegedly profited by secretly selling Live  
 Ventures shares in a nominee account that he controlled in the name of Kingston  
 Diversified Holdings.

9 The complaint also alleges that Live Ventures misrepresented the date on which it  
 10 had acquired a new subsidiary from Appliance Recycling Centers of America, Inc.  
 (ARCA, currently known as JanOne Inc.), enabling Live Ventures to report a positive  
 11 net income for its first quarter of 2018, which otherwise would have been an  
 unprofitable quarter. According to the complaint, Isaac and Virland A. Johnson, who  
 12 held the position of CFO at both Live Ventures and ARCA, engaged in a scheme to  
 misrepresent the effective acquisition date, and lied to Live Ventures' auditors about  
 13 the acquisition date to ensure Live Ventures could report positive net income. The  
 complaint further alleges that Isaac underreported his executive compensation in  
 14 Live Ventures' proxy statements. As alleged, for the fiscal years 2016, 2017, and  
 2018, Live Ventures disclosed that Isaac received, in aggregate, \$162,000 of  
 15 additional compensation, even though he had actually received approximately  
 \$315,000 during that period.

16 29. The SEC's complaint summarized the three fraudulent schemes as follows:

17 4. The first scheme occurred in late 2016, and centered on Jon Isaac's efforts to  
 18 boost LIVE's FY 2016 earnings, and then to profit from the resulting spike in LIVE's  
 stock when the earnings were announced. As part of the scheme, Jon Isaac  
 19 engineered a transaction after the close of FY 2016 that falsely created the  
 appearance that negotiations had started during FY 2016. *The deal, made between*  
 20 *LIVE and Novalk Apps. S.A.S. ("Novalk"), created \$915,500 of fraudulent "other*  
*income" and increased LIVE's FY 2016 pre-tax income by 20%. Jon Isaac lied to*  
 21 *LIVE's outside accountants to justify recognition of the "other income" in FY*  
 22 *2016. Next, Jon Isaac used LIVE's inflated earnings and a fraudulently reduced*  
*share count to calculate an earnings per share amount for LIVE's FY 2016 that*  
 23 *was 40% higher than the earnings per share in its audited financial statements. He*  
*put these fraudulently inflated earnings per share in a press release that LIVE*  
 24 *issued on December 28, 2016.* Prior to the press release, Jon Isaac and LIVE hired a  
 stock promoter to hype LIVE's stock, and made arrangements to access the  
 25 brokerage account of Defendant Kingston Diversified Holdings LLC ("Kingston").  
 Jon Isaac, LIVE, and Kingston arranged to sell LIVE stock upon the anticipated rise  
 in LIVE's stock from the inflated results. If all the orders were executed, these  
 26 Defendants would have realized gross proceeds of over \$1.1 million. On December  
 29, Jon Isaac and LIVE issued its Form 10-K, which included the fraudulent  
 27 \$915,500 of other income and a disclosure about the circumstances that was false,  
 misleading, and omitted material information, including that the entire transaction  
 28 arose after the close of LIVE's FY 2016. Subsequently, Jon Isaac tried to cover up



1 his conduct by filing a Form 8-K and issuing a letter to shareholders in which he  
 2 fraudulently denied that he or LIVE had hired a stock promoter, and lied to the  
 3 Financial Industry Regulatory Authority (“FINRA”) about the scheme. Defendant  
 4 Virland Johnson (“Johnson”), aided and abetted LIVE’s false and misleading  
 5 statements about recognition of the “other income” from the engineered transaction  
 6 with Novalk.

7 5. In the second scheme, *LIVE falsely claimed that it had effectively closed the*  
 8 *acquisition of a subsidiary of Defendant JanOne Inc. (“JOI/ARCA”) named*  
 9 *“ApplianceSmart,” on December 30, 2017, and recognized a “bargain purchase*  
 10 *gain” of over \$3.7 million in its first quarter of FY 2018, which enabled LIVE to*  
 11 *report positive net income in what would have otherwise been an unprofitable*  
 12 *quarter.* In fact, as of December 31, 2017, neither LIVE nor JOI/ARCA had  
 13 transferred consideration to each other, and LIVE did not gain effective control of  
 14 ApplianceSmart until 2018. LIVE, Jon Isaac, and Johnson made materially false and  
 15 misleading statements about the ApplianceSmart transaction in LIVE’s Form 10-Q  
 16 for the quarter ending December 31, 2017. Jon Isaac and Johnson lied to LIVE’s  
 17 outside accountants to support recognition of December 30, 2017 as the acquisition  
 18 date for accounting purposes. Defendants LIVE, JOI/ARCA, Jon Isaac, and Johnson  
 19 engaged in a scheme to create the false appearance that the ApplianceSmart  
 20 transaction had closed on December 30, 2017, when in fact they knew that the facts  
 21 and circumstances did not support such a claim.

22 6. Third, throughout the period from 2016 to 2018, LIVE failed accurately to  
 23 disclose Jon Isaac’s total compensation, reporting accruals of \$162,000 in temporary  
 24 housing allowances when \$315,000 in additional compensation was actually paid to  
 25 Jon Isaac over that period. In addition, throughout that same period, LIVE failed to  
 26 have effective internal accounting controls to ensure that its financial results were  
 27 accurately reported in its public filings.

28 30. On this news, the Company’s share price fell \$29.08, or 46%, to close at \$33.50 per  
 share on August 4, 2021, on unusually heavy trading volume. The stock price continued to decline  
 \$7.74, or 23%, over the next four consecutive trading sessions to close at \$25.76 per share on August  
 10, 2021.

### **CLASS ACTION ALLEGATIONS**

31. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil  
 Procedure 23(a) and (b)(3) on behalf of a class, consisting of all persons and entities that purchased  
 or otherwise acquired Live securities between December 28, 2016 and August 3, 2021, inclusive,  
 and who were damaged thereby (the “Class”). Excluded from the Class are Defendants, the officers  
 and directors of the Company, at all relevant times, members of their immediate families and their  
 legal representatives, heirs, successors, or assigns, and any entity in which Defendants have or had  
 a controlling interest.

1           32. The members of the Class are so numerous that joinder of all members is  
2 impracticable. Throughout the Class Period, Live's shares actively traded on the NYSE. While the  
3 exact number of Class members is unknown to Plaintiff at this time and can only be ascertained  
4 through appropriate discovery, Plaintiff believes that there are at least hundreds or thousands of  
5 members in the proposed Class. Millions of Live shares were traded publicly during the Class  
6 Period on the NYSE. Record owners and other members of the Class may be identified from records  
7 maintained by Live or its transfer agent and may be notified of the pendency of this action by mail,  
8 using the form of notice similar to that customarily used in securities class actions.

9           33. Plaintiff's claims are typical of the claims of the members of the Class as all members  
10 of the Class are similarly affected by Defendants' wrongful conduct in violation of federal law that  
11 is complained of herein.

12           34. Plaintiff will fairly and adequately protect the interests of the members of the Class  
13 and has retained counsel competent and experienced in class and securities litigation.

14           35. Common questions of law and fact exist as to all members of the Class and  
15 predominate over any questions solely affecting individual members of the Class. Among the  
16 questions of law and fact common to the Class are:

17                   (a) whether the federal securities laws were violated by Defendants' acts as  
18 alleged herein;

19                   (b) whether statements made by Defendants to the investing public during the  
20 Class Period omitted and/or misrepresented material facts about the business, operations, and  
21 prospects of Live; and

22                   (c) to what extent the members of the Class have sustained damages and the  
23 proper measure of damages.

24           36. A class action is superior to all other available methods for the fair and efficient  
25 adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the  
26 damages suffered by individual Class members may be relatively small, the expense and burden of  
27 individual litigation makes it impossible for members of the Class to individually redress the wrongs  
28 done to them. There will be no difficulty in the management of this action as a class action.

**UNDISCLOSED ADVERSE FACTS**

37. The market for Live's securities was open, well-developed and efficient at all relevant times. As a result of these materially false and/or misleading statements, and/or failures to disclose, Live's securities traded at artificially inflated prices during the Class Period. Plaintiff and other members of the Class purchased or otherwise acquired Live's securities relying upon the integrity of the market price of the Company's securities and market information relating to Live, and have been damaged thereby.

38. During the Class Period, Defendants materially misled the investing public, thereby inflating the price of Live's securities, by publicly issuing false and/or misleading statements and/or omitting to disclose material facts necessary to make Defendants' statements, as set forth herein, not false and/or misleading. The statements and omissions were materially false and/or misleading because they failed to disclose material adverse information and/or misrepresented the truth about Live's business, operations, and prospects as alleged herein.

39. At all relevant times, the material misrepresentations and omissions particularized in this Complaint directly or proximately caused or were a substantial contributing cause of the damages sustained by Plaintiff and other members of the Class. As described herein, during the Class Period, Defendants made or caused to be made a series of materially false and/or misleading statements about Live's financial well-being and prospects. These material misstatements and/or omissions had the cause and effect of creating in the market an unrealistically positive assessment of the Company and its financial well-being and prospects, thus causing the Company's securities to be overvalued and artificially inflated at all relevant times. Defendants' materially false and/or misleading statements during the Class Period resulted in Plaintiff and other members of the Class purchasing the Company's securities at artificially inflated prices, thus causing the damages complained of herein when the truth was revealed.

**LOSS CAUSATION**

40. Defendants' wrongful conduct, as alleged herein, directly and proximately caused the economic loss suffered by Plaintiff and the Class.



1 Defendants made or caused to be made a series of materially false and/or misleading statements  
2 about Live's business, prospects, and operations. These material misstatements and/or omissions  
3 created an unrealistically positive assessment of Live and its business, operations, and prospects,  
4 thus causing the price of the Company's securities to be artificially inflated at all relevant times, and  
5 when disclosed, negatively affected the value of the Company shares. Defendants' materially false  
6 and/or misleading statements during the Class Period resulted in Plaintiff and other members of the  
7 Class purchasing the Company's securities at such artificially inflated prices, and each of them has  
8 been damaged as a result.

9         45. At all relevant times, the market for Live's securities was an efficient market for the  
10 following reasons, among others:

11                 (a) Live shares met the requirements for listing, and was listed and actively  
12 traded on the NYSE, a highly efficient and automated market;

13                 (b) As a regulated issuer, Live filed periodic public reports with the SEC and/or  
14 the NYSE;

15                 (c) Live regularly communicated with public investors via established market  
16 communication mechanisms, including through regular dissemination of press releases on the  
17 national circuits of major newswire services and through other wide-ranging public disclosures,  
18 such as communications with the financial press and other similar reporting services; and/or

19                 (d) Live was followed by securities analysts employed by brokerage firms who  
20 wrote reports about the Company, and these reports were distributed to the sales force and certain  
21 customers of their respective brokerage firms. Each of these reports was publicly available and  
22 entered the public marketplace.

23         46. As a result of the foregoing, the market for Live's securities promptly digested  
24 current information regarding Live from all publicly available sources and reflected such  
25 information in Live's share price. Under these circumstances, all purchasers of Live's securities  
26 during the Class Period suffered similar injury through their purchase of Live's securities at  
27 artificially inflated prices and a presumption of reliance applies.



**FIRST CLAIM**

**Violation of Section 10(b) of The Exchange Act and**

**Rule 10b-5 Promulgated Thereunder**

**Against All Defendants**

49. Plaintiff repeats and re-alleges each and every allegation contained above as if fully set forth herein.

50. During the Class Period, Defendants carried out a plan, scheme and course of conduct which was intended to and, throughout the Class Period, did: (i) deceive the investing public, including Plaintiff and other Class members, as alleged herein; and (ii) cause Plaintiff and other members of the Class to purchase Live's securities at artificially inflated prices. In furtherance of this unlawful scheme, plan and course of conduct, Defendants, and each defendant, took the actions set forth herein.

51. Defendants (i) employed devices, schemes, and artifices to defraud; (ii) made untrue statements of material fact and/or omitted to state material facts necessary to make the statements not misleading; and (iii) engaged in acts, practices, and a course of business which operated as a fraud and deceit upon the purchasers of the Company's securities in an effort to maintain artificially high market prices for Live's securities in violation of Section 10(b) of the Exchange Act and Rule 10b-5. All Defendants are sued either as primary participants in the wrongful and illegal conduct charged herein or as controlling persons as alleged below.

52. Defendants, individually and in concert, directly and indirectly, by the use, means or instrumentalities of interstate commerce and/or of the mails, engaged and participated in a continuous course of conduct to conceal adverse material information about Live's financial well-being and prospects, as specified herein.

53. Defendants employed devices, schemes and artifices to defraud, while in possession of material adverse non-public information and engaged in acts, practices, and a course of conduct as alleged herein in an effort to assure investors of Live's value and performance and continued substantial growth, which included the making of, or the participation in the making of, untrue statements of material facts and/or omitting to state material facts necessary in order to make the



1 statements made about Live and its business operations and future prospects in light of the  
2 circumstances under which they were made, not misleading, as set forth more particularly herein,  
3 and engaged in transactions, practices and a course of business which operated as a fraud and deceit  
4 upon the purchasers of the Company's securities during the Class Period.

5       54. Each of the Individual Defendants' primary liability and controlling person liability  
6 arises from the following facts: (i) the Individual Defendants were high-level executives and/or  
7 directors at the Company during the Class Period and members of the Company's management team  
8 or had control thereof; (ii) each of these defendants, by virtue of their responsibilities and activities  
9 as a senior officer and/or director of the Company, was privy to and participated in the creation,  
10 development and reporting of the Company's internal budgets, plans, projections and/or reports;  
11 (iii) each of these defendants enjoyed significant personal contact and familiarity with the other  
12 defendants and was advised of, and had access to, other members of the Company's management  
13 team, internal reports and other data and information about the Company's finances, operations, and  
14 sales at all relevant times; and (iv) each of these defendants was aware of the Company's  
15 dissemination of information to the investing public which they knew and/or recklessly disregarded  
16 was materially false and misleading.

17       55. Defendants had actual knowledge of the misrepresentations and/or omissions of  
18 material facts set forth herein, or acted with reckless disregard for the truth in that they failed to  
19 ascertain and to disclose such facts, even though such facts were available to them. Such defendants'  
20 material misrepresentations and/or omissions were done knowingly or recklessly and for the purpose  
21 and effect of concealing Live's financial well-being and prospects from the investing public and  
22 supporting the artificially inflated price of its securities. As demonstrated by Defendants'  
23 overstatements and/or misstatements of the Company's business, operations, financial well-being,  
24 and prospects throughout the Class Period, Defendants, if they did not have actual knowledge of the  
25 misrepresentations and/or omissions alleged, were reckless in failing to obtain such knowledge by  
26 deliberately refraining from taking those steps necessary to discover whether those statements were  
27 false or misleading.



1 ownership and contractual rights, participation in, and/or awareness of the Company's operations  
2 and intimate knowledge of the false financial statements filed by the Company with the SEC and  
3 disseminated to the investing public, Individual Defendants had the power to influence and control  
4 and did influence and control, directly or indirectly, the decision-making of the Company, including  
5 the content and dissemination of the various statements which Plaintiff contends are false and  
6 misleading. Individual Defendants were provided with or had unlimited access to copies of the  
7 Company's reports, press releases, public filings, and other statements alleged by Plaintiff to be  
8 misleading prior to and/or shortly after these statements were issued and had the ability to prevent  
9 the issuance of the statements or cause the statements to be corrected.

10 62. In particular, Individual Defendants had direct and supervisory involvement in the  
11 day-to-day operations of the Company and, therefore, had the power to control or influence the  
12 particular transactions giving rise to the securities violations as alleged herein, and exercised the  
13 same.

14 63. As set forth above, Live and Individual Defendants each violated Section 10(b) and  
15 Rule 10b-5 by their acts and omissions as alleged in this Complaint. By virtue of their position as  
16 controlling persons, Individual Defendants are liable pursuant to Section 20(a) of the Exchange Act.  
17 As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and other members of  
18 the Class suffered damages in connection with their purchases of the Company's securities during  
19 the Class Period.

#### 20 **PRAYER FOR RELIEF**

21 WHEREFORE, Plaintiff prays for relief and judgment, as follows:

22 (a) Determining that this action is a proper class action under Rule 23 of the Federal  
23 Rules of Civil Procedure;

24 (b) Awarding compensatory damages in favor of Plaintiff and the other Class members  
25 against all defendants, jointly and severally, for all damages sustained as a result of Defendants'  
26 wrongdoing, in an amount to be proven at trial, including interest thereon;

27 (c) Awarding Plaintiff and the Class their reasonable costs and expenses incurred in this  
28 action, including counsel fees and expert fees; and

1 (d) Such other and further relief as the Court may deem just and proper.

2 **JURY TRIAL DEMANDED**

3 Plaintiff hereby demands a trial by jury.

4  
5 DATED: August 13, 2021

Respectfully submitted,

6 **MUEHLBAUER LAW OFFICE, LTD.**

7 /s/ Andrew R. Muehlbauer  
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